

Message Text

UNCLASSIFIED

PAGE 01 STATE 227365

63

ORIGIN NEA-10

INFO OCT-01 EUR-12 ISO-00 COME-00 EB-07 L-03 /033 R

DRAFTED BY NEA/ARP:JPLYLE:LLC
APPROVED BY NEA/ARP:JWTTWINAM
----- 113426

O 142344Z SEP 76

FM SECSTATE WASHDC

TO AMEMBASSY ABU DHABI IMMEDIATE

INFO AMEMBASSY ATHENS IMMEDIATE

UNCLAS STATE 227365

E.O. 11652: N/A

TAGS: BDIS TC

SUBJECT: SERIOUS POTENTIAL TRADE DISPUTE IN ABU DHABI

REF: (A) ABU DHABI 2472 (B) STATE 226540

1. ARP SPOKE WITH CALHOUN ABOUT HIS INTENTIONS RE. ABU DHABI PROJECT. CALHOUN COMPLAINED THAT FINANCIAL ARRANGEMENTS FOR THE PROJECT HAD NEVER BEEN ADEQUATE, FOR SOME-TIME PROJECT HAS BEEN PROCEEDING BY GRACE OF COOPERATION PEAVY AND TOWNSON'S BANKERS, THE ARAB BANK FOR INVESTMENT IN FOREIGN TRADE. UNEXPECTEDLY, ARAB BANK HAD UNILATERALLY DISCONTINUED ITS COOPERATION LEADING TO SEVERAL BOUNCED CHECKS. ACCORDING TO CALHOUN, HIS ASSOCIATES, FEARING UAE'S DRACONIAN JUSTICE IN FINANCIAL MATTERS, AND FEELING NO PERSONAL RESPONSIBILITY FOR BOUNCED CHECKS, WHICH RESULTED WHEN ARAB BANK RENEGED ON PRIOR ARRANGEMENTS, QUICKLY LEFT ABU DHABI.

2. CALHOUN SAID HIS OWN RETURN TO ABU DHABI HAS BEEN MADE TEMPORARILY IMPOSSIBLE BY HIS TAX CASE IN THE U.S. WHEN HE LEFT ABU DHABI, HE HOPED SOME BAIL BONDING ARRANGEMENT ON HIS TAX CASE IN THE U.S. COULD BE MADE, WHICH WOULD PERMIT HIS

UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 227365

RETURN TO COMPLETE WORK ON PROJECT. BAIL BOND WAS INDEED ARRANGED, BUT THEN TAX CASE WAS SCHEDULED FOR TRIAL 22 SEPTEMBER. CALHOUN'S INTENSE EFFORTS, IN COOPERATION WITH HIS LAWYERS, TO PREPARE HIS DEFENSE IN THIS TAX CASE HAVE MADE HIS RETURN TO ABU DHABI IMPOSSIBLE.

3. CALHOUN SAID IT WAS STILL HIS INTENTION TO COMPLETE WORK ON HIS PROJECT IN ABU DHABI AS EVIDENCE OF HIS GOOD FAITH, HE WAS SENDING HIS ASSOCIATE WARREN FOWLER BACK TO ABU DHABI. FOWLER WOULD BE CARRYING DOCUMENTS WHICH WOULD ESTABLISH CALHOUN'S OWN TEMPORARY INABILITY TO RETURN, AND WOULD EMPOWER FOWLER TO ACT ON CALHOUN'S BEHALF.

CALHOUN SAID THAT IT WAS HIS FIRST PREFERENCE TO COMPLETE THE PROJECT BUT THAT COMPLETION OF THE PROJECT WOULD REQUIRE FURTHER COOPERATION FROM THE ARAB BANK. IF SUCH COOPERATION WERE NOT FORTHCOMING THEN PEAVY AND TOWNSON COULD NO LONGER CARRY OUT ITS RESPONSIBILITIES ON THE PROJECT AND MR. FOWLER'S TASK WOULD BE TO ARRANGE FOR AN ORDERLY TRANSFER OF RESPONSIBILITIES TO ANOTHER FIRM. FOWLER WILL GET IN TOUCH WITH THE EMBASSY SHORTLY AFTER HIS ARRIVAL IN THE EMIRATES.

4. IN OTHER CALHOUN RELATED DEVELOPMENTS, ARP WAS ABLE TO CONFIRM WITH THE JACKSONVILLE FEDERAL COURT THAT NEITHER PEAVY AND TOWNSON, CALEDONIA CONSTRUCTION, NOR CALHOUN PERSONALLY HAD FILED FOR BANKRUPTCY. GORDON JONES, CALHOUN'S LONDON LAWYER, REQUESTED THAT EMBASSY TELL ELAMIN SHALLOUF AT ARAB BANK FOR INVESTMENT IN FOREIGN TRADE THAT JONES HAS URGENTLY BEEN TRYING TO GET IN TOUCH FOR SEVERAL DAYS. JONES CAN BE REACHED AT LONDON 242-8953. ROBINSON

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 14 SEP 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976STATE227365
Document Source: CORE
Document Unique ID: 00
Drafter: JPLYLE:LLC
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D760347-0125
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760961/aaaabzww.tel
Line Count: 93
Locator: TEXT ON-LINE, ON MICROFILM
Office: ORIGIN NEA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 76 ABU DHABI 2472, 76 STATE 226540
Review Action: RELEASED, APPROVED
Review Authority: vandyklc
Review Comment: n/a
Review Content Flags:
Review Date: 01 MAR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <01 MAR 2004 by MaustMC>; APPROVED <23 AUG 2004 by vandyklc>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: SERIOUS POTENTIAL TRADE DISPUTE IN ABU DHABI
TAGS: BDIS, TC
To: ABU DHABI
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006